

Commodity Futures Trading Commission
CEA CASES

NAME: RICHARD D. KOHN, MARSHALL J. STEIN, THOMAS CURTEAN, AND BRIAN H. MCGUIRE

DOCKET NUMBER: 199

DATE: SEPTEMBER 1, 1972

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UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Richard D. Kohn, Marshall J. Stein, Thomas Curtean, and Brian H. McGuire,
Respondents

CEA Docket No. 199

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondents have violated the Commodity Exchange Act (7 U.S.C. 1 et seq.) and the regulations made pursuant thereto (17 CFR Chapter I), and in accordance with the provisions of sections 6(b) and 6(c) of the said Act, this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

The respondents, Richard D. Kohn, Marshall J. Stein, Thomas Curtean and Brian H. McGuire, are now, and were at all times material herein, registered floor brokers under the Commodity Exchange Act and members of the Chicago Mercantile Exchange, a duly designated contract market under the said Act. The respondents' business addresses are: Richard D. Kohn, 110 North Franklin Street, Chicago, Illinois 60606; Marshall J. Stein, 110 North Franklin Street, Chicago, Illinois 60606; Thomas Curtean, 110 North Franklin Street, Chicago, Illinois 60606; and Brian H. McGuire, 29 North Wacker Drive, Chicago, Illinois 60606.

II

The transactions specified herein were in live cattle futures and were entered into on or subject to the rules of the Chicago Mercantile Exchange. Such transactions could have been used for hedging transactions in interstate commerce in cattle or the products or by-products thereof, or for determining the price basis of transactions in interstate commerce in cattle, or for delivering cattle sold, shipped, or received in interstate commerce.

III

On August 21, 1969, and March 24, 1970, the respondents entered into transactions as specified in the tabulation below. In entering into such transactions the respondents acted pursuant to, and in accordance with, an understanding or arrangement (1) that on August 21, 1969, respondent Stein would enter into a spread transaction with respondent McGuire and that respondent Kohn would enter into a reciprocal spread transaction with respondent Curtean, (2) that on March 24, 1970, respondent Stein would enter into a spread transaction with respondent McGuire offsetting that entered into between them on August 21, 1969, and that respondent Kohn would enter into a spread transaction with respondent Curtean offsetting that entered into on August 21, 1969.

100> >101>

Purchase	Respondent for	Respondent	Quantity
Whose Account	Acting as	(No. of)

	Commodity and Future	Purchase Was Made	Floor Broker or Trader	(Contracts)
[ILLEGIBLE TEXT]/69	October Cattle	Stein	Stein	100
[ILLEGIBLE TEXT]/69	December Cattle	McGuire	McGuire	100
[ILLEGIBLE TEXT]/69	October Cattle	Curtean	Curtean	100
[ILLEGIBLE TEXT]/69	December Cattle	Kohn	Kohn	100
[ILLEGIBLE TEXT]/70	October Cattle	McGuire	McGuire	100
[ILLEGIBLE TEXT]/70	December Cattle	Stein	Kohn	100
[ILLEGIBLE TEXT]/70	October Cattle	Kohn	Stein	100
[ILLEGIBLE TEXT]/70	December Cattle	Curtean	Curtean	100

	Commodity and Future	Price (Per Cwt.)	Respondent Acting as Floor Broker or Trader	Sale Respondent for Whose Account Sale Was Made
[ILLEGIBLE TEXT]/69	October Cattle	26.00	McGuire	McGuire
[ILLEGIBLE TEXT]/69	December Cattle	26.00	Stein	Stein
[ILLEGIBLE TEXT]/69	October Cattle	26.00	Kohn	Kohn
[ILLEGIBLE TEXT]/69	December Cattle	26.00	Curtean	Curtean
[ILLEGIBLE TEXT]/70	October Cattle	30.55	Kohn	Stein
[ILLEGIBLE TEXT]/70	December Cattle	30.35	McGuire	McGuire
[ILLEGIBLE TEXT]/70	October Cattle	30.55	Curtean	Curtean
[ILLEGIBLE TEXT]/70	December Cattle	30.35	Stein	Kohn

IV

By reason of the facts alleged in this complaint, the respondents executed purchases and sales of commodities for future delivery in a manner that was not open and competitive, in wilful violation of section 1.38 of the regulations (17 CFR 1.38).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondents and this proceeding shall be governed by sections 0.1, 0.2, 0.4(b), 0.5 through 0.22 and 0.28 of the rules of practice under the Commodity Exchange Act (17 CFR 0.1, 0.2, 0.4(b), 0.5 through 0.22, 0.28). The respondents will have twenty (20) days after the receipt of this complaint in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, an answer with an original and five copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each allegation of this complaint. Allegations not answered will be deemed admitted for the purpose of this proceeding. Failure to file an answer will constitute an admission of all the allegations of this complaint and a waiver of hearing. The filing of an answer in which all of the material allegations of fact contained in the complaint are admitted likewise shall constitute a waiver of hearing unless a hearing is requested. The respondents are hereby notified that unless hearing is waived, a hearing will be held in Chicago, Illinois, at a place therein and date to be specified later, before a referee designated to conduct

such hearing. At such hearing, the respondents will have the right to appear and show cause, if any there be, why an appropriate order should not be issued in accordance with the Commodity Exchange Act, (1) suspending or revoking the registrations of the respondents as floor brokers, (2) prohibiting the respondents from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondents for such period of time as may be determined and (3) directing that the respondents shall cease and desist from violating the Act and regulations in the manner alleged herein.

Done at Washington, D. C.

September 1, 1972

[SEE SIGNATURE IN ORIGINAL]

Richard E. Lyng

Assistant Secretary

LOAD-DATE: June 16, 2008

